



CITY OF SANTA BARBARA

REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Chairperson and Boardmembers

FROM: Housing and Redevelopment Division, Community Development Department

SUBJECT: Approval Of \$500,000 Grant Agreement To Santa Barbara Trust For Historic Preservation For Improvements to Alhecama Theatre

RECOMMENDATION:

That the Redevelopment Agency Board authorize the Deputy Director to execute a grant agreement for capital improvements to the Alhecama Theatre with the Santa Barbara Trust for Historic Preservation in a form acceptable to Agency Counsel.

BACKGROUND:

On June 20, 2006, the Redevelopment Agency Board approved the Redevelopment Agency budget for Fiscal Year 2007. Included in that budget was over \$4.5 million that was made available for community grants. Among those community grants was a proposed joint project between the Santa Barbara Trust for Historic Preservation (Trust) and the Ensemble Theatre Company to improve the Alhecama Theatre and the Old City College site courtyard/plaza area immediately in front of the Alhecama Theatre. Both the Alhecama Theatre and the courtyard/plaza area are part of the larger El Presidio Campus owned by the State of California which is leased to, and managed by, the Trust. The proposed project is located outside of the Central City Redevelopment Project Area and in accordance with California Community Redevelopment Law, findings were made by the Agency Board on July 18, 2006, that allowed the funding of the proposed improvements. The Redevelopment Agency grant, as originally proposed, was to be administered by the Trust with \$1.5 million in grant funding divided as follows:

Grant Recipient	Amount	Activities
Ensemble Theatre Company	\$1,000,000	Alhecama Theatre Improvements including electrical, plumbing, stage, dressing rooms, etc
Trust	\$500,000	Alhecama Plaza improvements
Total	\$1,500,000	

In order to secure the proposed grant agreement amount of \$1.5 million, the Agency requested that the Trust be under a new long-term lease with the State of California and that the Ensemble Theatre Company be under a long term lease (minimum of 10 years) with the Trust as the primary user of the Alhecama Theatre. The Trust and the Ensemble Theatre Company worked for many months to effectuate a long-term lease while the Ensemble Theatre Company continued to operate on a month-to-month lease at the Alhecama. To date, however, neither the Trust nor Ensemble have concluded these negotiations. Consequently, a Redevelopment Agency grant agreement has not been executed and the \$1.5 million in Agency funding remains in the project account. The Ensemble has pursued other options, including a long-term lease of the Victoria Theatre, This too, however, remains uncertain at this time. As an interim measure, and to allow much needed improvement to the Alhecama to occur, the Trust and Ensemble have jointly requested that the original allocation of \$1.5 million be modified such that an initial amount of \$500,000 may be utilized by the Trust for Alhecama Theatre capital improvements.

DISCUSSION:

The intent of the original grant was to create a vibrant, long-term home for the Ensemble Theatre Company and further restore the El Presidio campus. While it is not clear to the Redevelopment Agency whether the Alhecama or an alternate location, such as the Victoria Theatre, will ultimately be the long-term home of The Ensemble Theatre, it will remain at the Alhecama Theatre for a minimum of one additional season. Therefore, both parties have requested to move forward with the proposed improvements at the Alhecama Theatre; which could be pursued and completed in time for the upcoming theatre season.

The Ensemble Theater and the Trust have requested that the original allocation for the joint project be separated into a \$500,000 Redevelopment Agency grant agreement with the Trust and the remaining \$1 million remain un-programmed at this time with the intent of directing those funds to the Ensemble Theatre Company upon securing a permanent home. The Trust would like to use the \$500,000 to make various upgrades to the Alhecama Theatre as follows:

Task	Cost Estimate
Electrical System Upgrades	\$218,914
Exterior Improvements	\$198,001
ADA Accessibility Design Plans for Old City College Site	\$79,510
Contingency	\$3,575
Total	\$500,000

The proposed modifications are consistent with the overall intent of the original funding approval which was to improve the Alhecama Theater and its immediate surroundings and to assist the Ensemble Theatre Company in developing a theater facility.

Agency staff will keep the Agency Board apprised of the status of the Ensemble Theatre's long-term plans.

ATTACHMENT: Request from the Ensemble Theatre Company and the Santa Barbara Trust for Historic Preservation dated May 14, 2009

PREPARED BY: Brian J. Bosse, Housing and Redevelopment Manager

SUBMITTED BY: Paul Casey, Deputy Director

APPROVED BY: City Administrator's Office



DEREK A. WESTEN
ATTORNEY AT LAW
1800 JELINDA DRIVE
SANTA BARBARA, CALIFORNIA 93108

ATTACHMENT

EMAIL: DEREK@WESTENLAW.COM
FACSIMILE: (805) 963-7131
TELEPHONE: (805) 963-7130

May 14, 2009

Brian Bosse, Director
Redevelopment Agency of Santa Barbara
630 Garden Street
Santa Barbara CA 93101

Re: Ensemble Theatre Company/Trust for Historic Preservation Grant

Dear Brian:

We appreciate it that you and Dave Gustafson met with Jerry Jackman and me to review the status of our plans for utilization of the \$1.5M grant allocation to the Trust for improvements to the Alhecama Theatre, which has been ETC's home for decades.

We are writing jointly to request that the RDA approve a restructuring of the allocation into two separate grants to enable the Trust to move forward with the next phase of its plans for renovating the Alhecama.

Background

As you know, the RDA initially awarded an allocation to ETC of \$2.5M in connection with ETC's plans to build a new theatre in the 1200 block of State Street, the Granada block. When that project became infeasible (the property owners decided not to sell), the RDA modified its prior allocation by awarding an allocation of \$1.5 to the Trust for use in making improvements to the Alhecama Theatre for the benefit of ETC and the Trust.

Since that time ETC has worked on preliminary plans to make renovations to the Alhecama, while also working to acquire a long-term lease on the Victoria Theatre—a facility that might well meet our needs for the long-term home, closer to the performing arts district.

As of the date of this letter, we are not in a position to say for sure whether we will be proposing renovations to the Alhecama or renovation of the Victoria Theatre. But we do not want to further delay needed improvements to the Alhecama.



DEREK A. WESTEN
ATTORNEY AT LAW

-2-

May 14, 2009

Victoria Theatre

We are pleased that we have now finalized agreements in principal pursuant to which ETC will be able to lease the Victoria Theatre for up to 30 years.¹ In the hope that the remaining obstacles to that project will be overcome, we have developed conceptual plans to make major renovations to the theatre so that it would function as a modern, well-equipped, beautiful and comfortable theatre. With this facility ETC would be able to offer an additional theatrical production each season, while still making the facility available to other organizations approximately 20 weeks out of the year for dance, ballet, chamber and choral music, lectures, and film.

To meet the needs of ETC and the larger performing arts community, the Victoria would require significant interior renovation. The renovations would include relocation of the restrooms off the stage and to the lobby area, raising of the audience floor closest to the stage, reconfiguration of the seating to eliminate the current division of the audience into separate sections, improvement of the lighting and sound systems, and general updating of the interior design and décor. We have completed conceptual plans for the work. We anticipate an initial capital campaign of approximately \$4,700,000 to make the vision a reality.

If the remaining issues can be resolved, we believe that a renovated Victoria Theatre would meet ETC's and Santa Barbara's need for a modern, beautiful, technically-well-equipped theatre, located in the heart of the performing arts district, just a block from the Granada and Arlington, close to many fine restaurants, and with ample parking. We believe the proposal would be a win-win-win proposal for the property's owners, for ETC, and for the performing arts community.

Alhecama Theatre

Concurrently with our work on the Victoria, the Trust has moved ahead with its plans to renovate the Alhecama Theatre. The Trust has already installed expensive fire safety improvements. It has now also developed plans to paint the exterior, repair exterior defects, renovate the restrooms, and freshen the interior décor. These changes would make a great improvement to the experience of anyone who attends events at the Alhecama, whether those be ETC productions or other offerings in the theatre. The cost for these improvements is approximately \$500,000.

If the Trust were able to begin those improvements quickly, the improvements would be of benefit to ETC. Even if ETC relocates to the Victoria, provided the work is funded and completed soon, the improvements would benefit ETC all of the next season. And if it ultimately proves

¹ As of the date of this letter, we are in the final stages of a negotiation for a six-year lease with four options to renew, each for an additional six-years, and we are awaiting final approval of the Victoria Building Council.



DEREK A. WESTEN
ATTORNEY AT LAW

-3-

May 14, 2009

infeasible for ETC to relocate, those improvements, together with others that ETC and the Trust would want to make, would be crucial to ETC's ability to thrive in that location.

The primary goal of this joint request is to allow \$500,000 of the grant to be funded now, and not delayed pending resolution of ETC's long-term facilities plans. It is our joint hope that this request will allow the Trust to make renovations to the Alhecama soon, hopefully over the summer.

Allocation/Grant Modification

With the foregoing background, the Trust and ETC jointly request that the RDA restructure and re-allocate the \$1,500,000 grant as follows:

1. \$500,000 of the grant would be allocated to a new grant to the Trust for the specific renovations to the Alhecama Theatre outlined above.
2. \$1,000,000 of the grant would be allocated to a separate future grant to ETC specifically for renovations to *either* to the Victoria Theatre or the Alhecama.

2.1 If ETC finalizes its agreement pertaining to the Victoria, documents to the RDA that it has obtained the requisite approvals for the renovations, and demonstrates the financial capability to complete the renovations, the RDA would allocate this portion of the grant to ETC for the Victoria renovations.

2.2 If ETC is unable to acquire the Victoria and meet the requirements set forth in Section 2.1, ETC and the Trust would submit proposed plans for renovation of the Alhecama and request allocation of the funds to those improvements.

2.3 It would be a condition of the grant to ETC that either for the Victoria Theatre or the Alhecama, ETC, have a lease for a term (or initial term with options to renew) of at least ten (10) years.

This is a joint request from the Trust and ETC that both organizations believe is in their best interests, and in the interests of the RDA and the City of Santa Barbara.

We are attaching to this letter a copy of the description of the Trust's planned improvements to the Alhecama.



DEREK A. WESTEN
ATTORNEY AT LAW

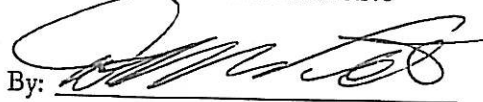
-5-

May 13, 2009

Thank you very much for your assistance.

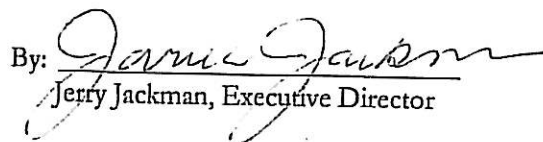
Sincerely,

ENSEMBLE THEATRE COMPANY

By: 

Derek A. Westen, President

THE SANTA BARBARA TRUST FOR HISTORIC
PRESERVATION

By: 
Jerry Jackman, Executive Director

